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Public Service and the CPA

American Institute of Certified Public Accountants (AICPA)

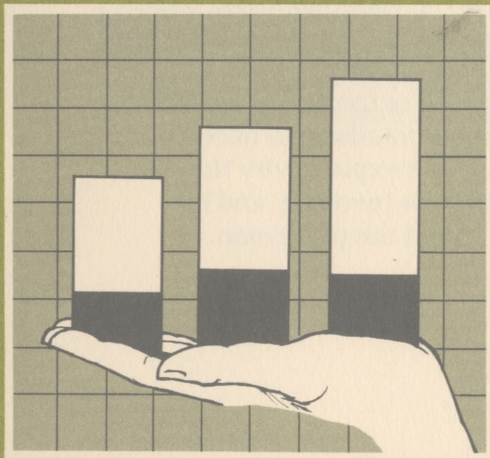
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PUBLIC SERVICE AND THE CPA

AICPA



PUBLIC SERVICE AND THE CPA

INTRODUCTION

Wherever they live, CPAs are involved in their communities. CPAs have assumed positions of leadership in educational institutions; Chambers of Commerce and other business groups; government; and religious and other nonprofit organizations whose purpose is to help others.

How are CPAs involved?

CPAs use their professional expertise to develop accounting systems, reporting procedures and budget practices, so organizations can maintain financial stability.

They teach undergraduate and graduate courses, help establish scholarships, and give time to schools to raise funds and recruit students.

CPAs serve on appointive bodies such as planning and zoning commissions, and hold elective offices on city councils. CPAs work with small businesses to help them achieve stability. They develop training programs for municipal accounting personnel, and work with economic development commissions to attract businesses to the community. CPAs address civic, professional and business groups, write books and publish articles.

In undertaking such projects, CPAs have identified important community needs and have committed their time, skills and leadership qualities to ensure that those needs are met.

This brochure presents a sampling of the public service efforts of CPAs. Then, as an inducement to others to become more involved in pro bono projects, CPAs explain why they are active in public service, how they became involved, and how their activities benefit themselves . . . and the profession.

PUBLIC SERVICE IN EDUCATION



In the Midwest, a CPA improved the organization and workings of the local school board. He represented the school's administrators during teacher contract negotiations.

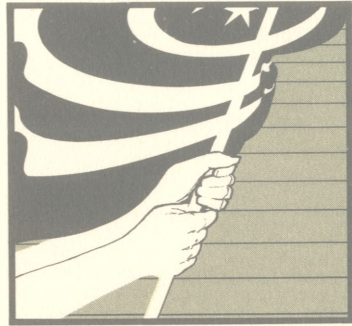
As chairman of the fund raising group of a local college, a practitioner helped to raise \$850,000 for a variety of college needs.

A one-week seminar for graduating medical students concerning the economics of medical practice was developed and presented by a local practitioner. The seminar is now a part of the curriculum at a university medical school.

As trustee for a women's college, a retired partner has helped keep the institution financially solvent, increase its endowment, enlarge its enrollment and broaden its academic reach.

A high school which could not afford to purchase musical instruments for a band received assistance from a CPA involved in a parents' club. Through careful planning, prudent budgeting and aggressive fund raising, the club was able to purchase several thousand dollars' worth of instruments. Now the school boasts one of the best bands in the city.

PUBLIC SERVICE IN GOVERNMENT



A senior audit partner of a national firm proposed a program to revamp a city's tax structure while serving on the Mayor's Tax Committee.

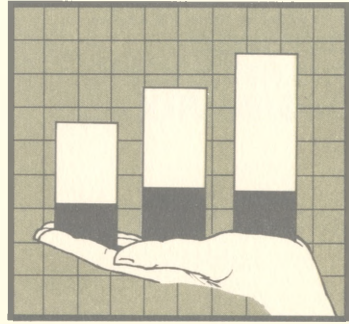
A Western state saved \$20 million after acting upon the management improvement programs suggested by the Governor's Advisory Committee, chaired by a CPA.

As special advisor to the governor of his state, a firm's managing partner assisted in making major financial decisions on the funding of various projects.

As chairman of his state's Municipal League, a practitioner is responsible for reviewing all state legislation to determine how it affects the cities.

Across the country, CPAs are elected to serve in local government as mayors, city councilmen and city controllers. CPAs' involvement on the national level includes holding high appointive posts with the Internal Revenue Service, the Postal Service and other federal agencies.

PUBLIC SERVICE IN BUSINESS



Many CPAs are involved with their local Chambers of Commerce. As a member of his Chamber's executive committee, one practitioner participated in planning an industrial park, a railroad museum and a mall shopping district designed to rejuvenate the city's downtown area.

Working with the local Economic Development Foundation, a CPA has directed an industrial solicitation program. This has attracted new businesses to the area, creating additional jobs.

While chairman of the local urban renewal authority, a CPA helped to guide and direct that group's activities for three years.

PUBLIC SERVICE THROUGH PHILANTHROPIC ORGANIZATIONS



A CPA served as director and treasurer for a group home for wayward children. He helped found the home and then arranged financing for its operation.

A senior partner served as one of four organizers of a research, training and hospital facility. (He was the only non-medical member of the group.) The medical facility, which now includes a 150-bed hospital and millions of dollars' worth of equipment, serves the community in the fields of neurology, neurosurgery and psychiatry.

An assistant professor of accounting at a larger university has been involved with an organization that prepares income tax returns for low-income taxpayers at no charge. Returns are prepared by student volunteers and reviewed by CPAs who also volunteer. About 1,000 taxpayers are assisted each year.

As editorial board chairman of a community newspaper, a practitioner is responsible for setting editorial policies and overseeing the paper's financial situation. The newspaper, which covers cultural, religious and educational stories, has a readership of 12,000.

CPAs help their communities improve the delivery of health care services. While on the board of directors of her community hospital, one practitioner helped change the institution's structure. From a yearly loss of \$2 million, the hospital now reports an annual profit of \$3 million.

Public Service Involvement: How It Benefits the CPA, the Firm and the Profession

CPAs are professionals. As such, they take the responsibility of extending helping hands to their communities. One practitioner expresses his sense of professional obligation this way: "I want to put back some of the good things that I have enjoyed from the community."

When individuals are involved, searching out solutions to problems and acting upon them, they often achieve a sense of satisfaction and accomplishment. They have helped make their community a better place to live and do business.

Public service work is often a learning experience, where an individual develops skills and interests that are outside the boundaries of those used on the job. These activities also can help strengthen professional skills. For example, a practitioner who does audit work may get involved in the strategic planning of the audit of a nonprofit organization.

As a result of community participation, CPAs meet new people and establish business contacts; learn and develop management and leadership skills; work with and become known to community leaders, and gain confidence in their abilities. One CPA says her public service work has helped her to "expand my horizons beyond the view of business."

Other CPAs tell why they are involved in public service and what they have gained:

"I believe I am a deeper and perhaps wiser person from these experiences, and I've had the chance to learn from working with people of stature."

"Public service provides an opportunity to learn about all areas of the community."

"The single most important benefit I receive from public service is personal growth through my experiences with others of different backgrounds."

"I'm involved for the satisfaction of doing what is needed and doing it well."

"I receive satisfaction from doing something that contributes to the society that the accounting profession is dependent on for its livelihood."

"Public service makes me happy since I can use my experience and education to help those who are less fortunate."

"I felt a personal obligation to serve and to make the community a better place."

"Community involvement provides an excellent way to get to know other people and yourself."

"The knowledge that I have provided assistance to others and have bettered their lives in some way is psychologically fulfilling."

"Public service allows me to pay back the community for the good things I have received from it."

"I feel that I've made a difference in the world."

Public Service and Building a Practice

A CPA's public service accomplishments create a ripple effect. For the firm, public service work provides exposure to business and government leaders and other potential clients. The resulting recognition adds to the prestige of the firm, an important factor in practice building.

These CPAs, from small, medium and large firms, explain how public service involvement has benefited their practices:

"I have enjoyed personal recognition and satisfaction, while the benefits to the growth of the firm have been significant."

"We were able to demonstrate our skills before a group of prominent business people in the area."

Through public service, a firm is "well known enough now to be included in most requests for proposals."

"If one is willing to do a good job in public service it is a great opportunity to advertise your ability."

"The firm has been more strongly identified in the eyes of the public. As a result of my involvement, and that of others in the firm, we have many clients who we may not otherwise have had."

One firm's public service work "provides some pride to our existing clients that they have chosen competent, dedicated CPAs."

"We have established a wide reputation and gained many clients."

"A large number of clients have been acquired and maintained because of the reputation I have acquired in working for various agencies."

"The firm has enjoyed a great deal of increased business due to my contacts."

"Our firm has picked up several clients directly related to our involvement in service clubs."

"We are convinced it (public service) has been an excellent investment on our part."

"We have a good reputation for being a good citizen and we are well known. This has brought many quality clients to the firm."

How Public Service is Promoted By CPA Firms and Businesses

CPA firms of all sizes encourage staff members to participate in public service activities. Firms and businesses support public service efforts in these ways:

- Pay the costs of membership in organizations and the costs of travel related to public service work.
- Allow staff to work on their public service projects during business hours.
- Provide services for no charge or at cost to an organization in which a staff member is involved.
- Assist in fund raising; make financial contributions.
- Provide recognition for individual public service achievements in internal publications.

How To Select a Public Service Assignment

Once a CPA decides to make a public service commitment, the question becomes, "Where and how do I get involved?" Individual interests and experience should be considered, and friends, associates or clients may be able to suggest groups or projects that need assistance. Of course, you want to find a place where your talents can make a difference.

Before you join an organization, take into account these considerations:

- What is the organization's reputation in the community?
- Do the goals and philosophy of the organization agree with yours?
- Can you make a worthwhile contribution to help it reach those goals?
- Will your involvement allow you to develop and exercise your leadership ability?
- How much time will you be able to devote to the project or organization?
- Who will you be working with—other volunteers, the organization's staff, other groups, or will you work independently?
- Is there an opportunity for you to advance to positions of increasing responsibility?
- Will you be a representative of the organization?

Once you select an organization, you can work your way up through committee service. Volunteer for assignments that will allow you to demonstrate your interests and abilities. Take advantage of opportunities as they arise. By performing each assignment well, you are likely to be entrusted with more important duties.

Increased responsibility comes with time. The more responsible a position, the more exposure it receives, providing you and your firm with greater visibility. For example, one CPA started as the treasurer of a community hospital; now she is vice chairman. She explains, "I always devote a lot of time to any assignment I accept—I guess word gets around!" A former practi-

tioner, now an educator, worked his way up from volunteer for a tax return assistance program to president of the organization.

Good work with one group probably will lead to invitations to participate in other activities. As your interest grows, you may deepen your public service involvement. "It is very important that you work hard and devote adequate time to the job," says one practitioner. The quality of your public service effort, rather than the quantity of simultaneous assignments, will bring about more positive results for yourself and those you are assisting.

A "track record" in public service allows you to be more selective of the types of challenges you want to take on. As you advance in the public service activities you have chosen, your reputation is strengthened. You may be approached by community leaders or officers of organizations to chair a committee, supervise a project, or sit on the board of directors.

One practitioner says this about his experience: "Being a CPA helped me to achieve quick board status, usually as a finance officer. I then sought additional responsibilities within the organization." He is currently the mayor of his city of 23,000 and handles a \$10 million annual budget.

State Societies of CPAs and Public Service

Your state society of CPAs can help you become active in your community. In addition to holding regular meetings on subjects of importance to CPAs, representing the profession before the legislature, and presenting continuing professional education courses, your state society initiates and supports various public service projects. These include:

- Free income tax return assistance to disadvantaged and low-income persons.
- Seminars for directors of nonprofit organizations on financial management and current accounting, auditing and tax developments relating to nonprofits.
- Workshops to help owners of small businesses to organize and analyze basic accounting information.
- Encouraging members to volunteer their assistance at blood drives, telethons and similar projects.

These are only a few state society programs which suggest how you can help serve your community. Contact your state society of CPAs to find out what programs they offer and how you can participate.

The AICPA Public Service Committee

The Public Service Committee of the American Institute of Certified Public Accountants (AICPA) acts as a clearinghouse of information for the membership and state societies on all aspects of public service efforts undertaken by CPAs. The Committee's aim is to encourage such participation by reporting on the public service achievements of CPAs and developing public service activities for the AICPA, state societies and individual members to carry out.

Information gathered by the Public Service Committee is available to all AICPA members. If the Committee can be of assistance to you, or if you would like the Committee to be aware of your public service involvement, contact the Special Projects Manager, Public Relations Division, American Institute of Certified Public Accountants, 1211 Avenue of the Americas, New York, New York 10036.

The Public Service Award Program

The American Institute of CPAs urges state societies to establish programs for identifying and encouraging participation by CPAs in community affairs. Toward this end, AICPA's annual Public Service Award Program affords national recognition to those CPAs who have been cited by their state societies for outstanding public service.

State societies participating in this program select award recipients according to their own criteria. Generally, candidates are judged by their participation over periods of time in community, charitable or civic activities; by volunteer service at various levels of government; and by the degree of personal responsibility each assumed for a visible and significant public service project.

Recipients of public service awards on the state society level are cited in a brochure issued by AICPA at its Annual Meeting and distributed to state societies and other groups. Award winners also are recognized in AICPA publications.

AICPA Publications

The American Institute of CPAs publishes numerous books, reports, studies, technical pieces and continuing professional education courses on a wide range of subjects. Each year, these materials are distributed to the more than 180,000 members of the AICPA, to educators and to the public. The following publications may be of help to you in your public service activities.

Campaign Treasurer's Handbook is designed to help candidates and their campaign organizations do a better job of fulfilling their obligation to the law and to the public. It is intended primarily for use in state, county and local campaigns. Written in nontechnical terms, the booklet provides specific guidelines and procedures for handling political campaign contributions and expenditures.

Businessman's Information Guide is intended to assist disadvantaged persons who are in the process of setting up small businesses. The guide provides help for the planning stage of the business, for setting up adequate records and for control procedures. The guide serves as a reference source when the business is in operation.

AICPA Industry Audit Guides

Hospital Audit Guide

Audits of Colleges and Universities

Audits of Voluntary Health and Welfare Organizations

These guides assist the independent CPA to examine and report on the financial statements of organizations in these respective industries, in accordance with generally accepted auditing standards.

AICPA Audit and Accounting Guide, *Audits of Certain Nonprofit Organizations*, assists the independent auditor in examining the financial statements of all nonprofit organizations not covered by the specific guides mentioned above. *Audits of Certain Nonprofit Organizations* includes the AICPA Statement of Position, "Accounting Principles and Reporting Practices for Certain Nonprofit Organizations."

For information about any of these publications, contact the AICPA Order Department.

AICPA Public Relations Programs

Throughout the year, AICPA's Public Relations Division produces consumer-oriented financial and tax information. Newspaper articles, slide shows, give-away items and radio public service announcements are sent to state societies, which disseminate the materials to the local media and to their members. Recent campaign topics are "The CPA and Your Financial Future" and "The CPA on How To Build a Family Capital Base."

"Money Management," the Institute's weekly newspaper column of personal financial management, is published in more than 1,400 daily and weekly newspapers in 39 states.

A program specifically designed for local CPA firms includes speeches and radio public service messages that alert small businesses to the services CPAs can provide.

For more information about any of these programs, contact your local state society or the Public Relations Division at AICPA.

Are You Involved?

As part of its function as an information clearinghouse, the AICPA Public Service Committee is interested in the public service achievements of Institute members.

If you would like to inform the Public Service Committee about your community involvement, please complete this form and send to: Special Projects Manager, American Institute of CPAs, 1211 Avenue of the Americas, New York, N.Y. 10036.

Name of Organization _____

Your Title _____

Responsibilities _____

Accomplishments _____

How have you benefited from your public service work, both personally and professionally?

Please check your current occupational classification:

☐ education

☐ public accounting

☐ government

☐ sole practitioner

☐ industry

☐ local firm

☐ regional firm

☐ other (describe)

☐ national firm

Where is your place of business located? _____

Name of your employer (optional) _____

Your name (optional) _____

American Institute of Certified Public Accountants
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